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Action

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FROM: Paris

Info

TO: Secretary of State

SS

NO: 3438, Dec 8, 5 p.m.

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SENT DEPARTMENT 3438, REPEATED INFO LONDON 900

EXCON.

Re DEPTTEL 3179, Nov 26.

1. COCOM shipping discussions ran from Nov 27 through Dec 5 and were highly controversial. Many dels were accompanied by experts, US del being accompanied, and materially aided by Dupre and Foster of OSR and Blandford of Emb. Some minor points remain to be cleared up in preparation COCOM report, completion of which not (rpt not) expected until next week. US del found REFTTEL most helpful and appreciated Dept cooperation in having expedited it.

On following matters agreement was reached to recommend action indicated:

On sales, retain whole item 2415 list II and apply 3 D (liquid pro quo) treatment to that item and to the other List I Roman vessel items, with preconsultation for merchant and fishing vessels specified in subitems (2415) (A) and (B) unless impossible, and with optional preconsultation for other vessels, particularly when having special characteristics related to mil usefulness.

Several dels unwilling place vessels with such characteristics automatically on same level as subitems (A) and (B). Some dels also unwilling make inspection by naval experts a formal prerequisite. Den del indicated some doubt re his govt willingness commit to preconsultation. Upgrading subitems (A) and (B) to list I actively opposed by Fr on previously stated political grounds and by Nor and Den dels on econ grounds plus point that some but not (rpt not) all those vessels strategically important proklir* willing however agree strategic vessels sold not (rpt not) be sold to Sov bloc unless necessary to obtain essential goods. View agreed importance in mine laying and sweeping, fishing vessels may be considered again later for upgrading, on basis either present definition or broader definition developed by experts to cover all fishing vessels over 100 feet and over or having generating equip 20 KW or more.

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B. On repairs and alterations, statement of principle to following effect: No (rpt no) installation or replacement list I or munitions items; charge installation list II items to list II quotas; no (rpt no) work for transforming vessel into list I or munitions list types; no (rpt no) preparation work for or installation of gun platforms, protective armor or other defensive structures, degaussing or demagnetizing equip, or any other work theretofor identified as mil adaptation. Exceptions provided for work required by law, international obligations or classification societies but requires COCOM be informed of any such exceptions made.

C. On ships supplies, other dels were invited make statements on existing control and enforcement. Some dels did so and others are to file later. Matter may be discussed again at future date. Chairman raised bunkering question. UK del stated matter being handled by administrative measures. Several other dels made similar statement. US del refrained pursuant reftel.

D. On installing controlled items in ships under construction for Sov bloc, statement of principle to following effect: No (rpt no) installation munitions items; maximum possible avoidance installation marine radar and gyro compasses and repeaters; substitution less strategic items for those in Doc 351 paras 4 A, D and E, where possible; optional preconsultation where compliance with foregoing prevents vessel completion or launching. Same principle also applicable to installations in used vessels to be sold to Sov bloc.

E. On bareboat chartering, statement of prohibitive principle as in Doc 522 para 52 plus added provision recongizing such chartering may have same effect as sale. Can and several other dels pointed out limitations in own control systems preclude unqualified assurance no (rpt no) such chartering will occur.

3. No (rpt no) agreement on controlling long-term chartering or carriage of strategic goods but expression of feeling long-term chartering list I vessels not (rpt not) regular practice and therefore no (rpt no) significant practical problem.

A. Previously recorded US view that long-term chartering does, or may, frustrate vessel sales controls supported only by Fr with strong opposition most other dels on ground ships remain under control of own nationals, recall is feasible, and that danger seizure in event war no (rpt no) greater for chartered vessels than for any other vessel then finding itself in Sov waters. (Although DEPTEL discussion long-term chartering was based solely on China situation; in COCOM discussion it was necessary to include frustration of sales control principle, as this had already been developed in previous US proposals

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and discussion, particularly at last CG mtg.) As for US view long-term chartering permits frustration controls on strategic goods, other dels felt objections set out below re carriage controls applicable to this aspect long-term chartering.

B. All other dels were opposed (some very strongly) to controlling carriage of strategic goods, on grounds such measures are economically and politically undesirable or unfeasible and are unnecessary since appropriate and effective solution whatever problem may exist is through other methods (such as strengthening existing export and transit controls in PC's, if necessary, and more important, having third countries apply such controls). Accordingly, previous US proposal for controlling carriage (and long-term chartering) to avoid frustration commodity controls was opposed by all dels. New US proposal (pursuant REFTEL) for mutual analysis recd no (rpt no) affirmative support as a desirable measure. However German and Italian dels were willing agree and Neth and Belg were willing submit to govts, apparently as temporary measure. On other hand, other dels opposed on ground no (rpt no) useful purpose view above stated basic objections to carriage controls.

C. Above views related to Sov bloc as whole. Dels agreed transportation of strategic goods to China (by shipping service or long-term chartering) represents special problem but some dels were unprepared discuss as special case now. Den del took usual position COCOM not (rpt not) appropriate forum for such discussion. On Dec 11 COCOM is to set date for further discussion this aspect.

D. UK del privately referred to current UK-US talks re possible additional China measures and noted UK position on shipping controls for that purpose still unsettled and being considered at high level. Therefore he doubted ability take any position in COCOM discussion on China shipping controls until high level UK decision made and, moreover, unable take favorable position on shipping controls in less critical case of Sov bloc as whole.

E. View above US del wid appreciate Dept instruction on whether press Dec 11 for early scheduling discussion China shipping controls.

4. In US del view, despite failure achieve all US objectives results reported above represent following progress:

A. On sales, placing controls on more definitive basis than before and on basis which seems substantially meet major US objectives;

B. On repairs and alterations, agreements and gen principles which seem substantially meet US objectives.

C. On

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C. On chartering and carriage, presumably satisfactory agreement on bareboat chartering, establishment of apparent fact long-term chartering list I vessels not (rpt not) major practical problem, and possibility repeated expressions of US concern have influenced and may continue influence unilateral efforts to minimize problem (e.g., Den del mentioned Den long-term charters now (rpt now) contain provision against chartered vessels going to China).

5. Further details on discussion will follow by despatch.

6. This tel being rptd London only. Dept pls inform other missions as desired.

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*As received.

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